

ATTORNEYS AND COUNSELORS AT LAW

September 16, 2005

HAND DELIVERED

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

COLUMBIA, SOUTH CAROLINA 29202

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Re:

Application of Duke Energy Corporation for Authorization to enter into a Business Combination Transaction with Cinergy Corporation

Docket No. 2005-210-E

Dear Mr. Terreni:

Enclosed for filing please find The Electric Cooperatives of South Carolina, Inc., Central Electric Power Cooperative, Inc., and Saluda River Electric Cooperative, Inc. response to Applicant's Opposition to the Petition to Intervene in the above referenced docket. By copy of this letter we are serving the same on all counsel of record. Please stamp the extra copies provided as proof of filing and return them with our courier.

Should you need any additional information, please have someone on your staff contact me.

Yours truly,

ROBINSON, McFadden & Moore, P.C.

Frank R. Ellerbe, III

FRE/tch Enclosures

cc/enc:

Paul R. Newton, Esquire Shannon Hudson, Esquire William F. Austin, Esquire Richard L. Whitt, Esquire Marcus Manos, Esquire Scott Elliott, Esquire

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2005-210-E

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Application of Duke Energy Corporation for Authorization to Enter into a Business Combination Transaction with Cinergy Corporation

In Re

Intervenors Response to Applicants'
Opposition to the Cooperatives'
Petition to Intervene

Intervenors The Electric Cooperatives of South Carolina, Inc., Central Electric Power Cooperative Inc., and Saluda River Electric Cooperative, Inc. ("Intervenors") submit this response to the opposition of Duke Energy Corporation ("Duke") to their petition to intervene. On August 26, 2005, the Intervenors petitioned the Commission to be made parties of record in this docket. On September 2, 2005 counsel for Duke wrote a letter objecting to the petition to intervene. In support of the petition Intervenors provide the following additional reasons why they should be made parties of record in this docket:

- 1. The Intervenors have satisfied the Commission's requirements, as stated in Rule 103-836, for intervention in this proceeding. Intervenors note that the requirements of Rule 103-836 are neither stringent nor technical, reflecting the traditional practice of this Commission in broadly allowing intervention.
- 2. In its letter of opposition Duke argues that the Intervenors have no standing to intervene in this docket. This position is based on a narrow, cramped and legally incorrect reading of the statutory provision at issue. Duke has

submitted its application pursuant to Section 58-27-1300 S.C. Code of Laws. That provision gives this Commission broad authority to approve or refuse to approve transactions like the transaction currently under consideration. The statutory language does not limit the Commission's authority to approve the transaction and approval is therefore subject to the Commission's broad review of the public interest. The proposed merger is an enormous financial transaction which may have impacts on all aspects of electricity operations in this state. As significant participants in those electricity operations Intervenors have an important interest in understanding the full range of the implications of the proposed transaction. It is inappropriate at this preliminary stage to foreclose the ability of Intervenors to participate in this proceeding.

- 3. In order to fulfill its regulatory duties, it is necessary for the Commission to investigate the proposed merger and its related effects on wholesale and retail electric markets in South Carolina. Intervenors have a substantial interest in those matters and may be affected directly or indirectly by the proposed transaction. Intervenors also have knowledge and expertise concerning the operation of wholesale and retail electric markets in this state and Intervenors' participation would, therefore, be helpful to the Commission in carrying out its statutory duties related to the proposed transaction.
- 4. The Applicants should be required to demonstrate that that the proposed merger will promote the public convenience and result in adequate and reliable services, at reasonable rates, for South Carolina.

5. This proceeding will involve issues that may directly and indirectly impact the reliable and adequate provision of electric power in the state. Intervenors have real, direct, and substantial interests in this proceeding which are different from the interests of other parties in this docket. Intervenors interests can only be protected by their participation.

For the reasons stated above and in their original petition, Intervenors respectfully request that the Commission grant their petition to intervene.

James L. Thorne
Vice President & General Counsel
The Electric Cooperatives of SC

Arthur G. Fusco Vice President & General Counsel Central Electric Power Cooperative, Inc.

ROBINSON, McFADDEN & MOORE, P.C.

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(803) 779-8900

Counsel for Intervenors

September 16, 2005

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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In Re:)	SOLUTION TO THE SOLUTION TO TH)
Application of Duke Energy Corporation for Authorization to Enter into a Business Combination Transaction with Cinergy Corporation)))))	CERTIFICATE OF SERVICE	7

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This is to certify that I, Mary F. Cutler, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the persons named below the **Intervenors Response to Applicants' Opposition to the Cooperatives Petition to Intervene** in the foregoing matter by placing a copy of same in the United States Mail, postage prepaid, in an envelope addressed as follows:

Paul R. Newton, Vice President & General Counsel Duke Energy Corporation Post Office Box 1244 Mail Code 1244 Charlotte, NC 28201-1244

William F. Austin, Esquire Richard L. Whitt, Esquire Austin Lewis & Rogers, P.A. 508 Hampton Street Columbia, SC 29201

Marcus A. Manos, Esquire Nexsen Pruett Adams Kleemeir, LLC Post Office Drawer 2426 Columbia, SC 29202

Shannon B. Hudson, Esquire Office of Regulatory Staff Post Office Box 11263 Columbia, SC 29211 Scott Elliott, Esquire Elliott & Elliott, P.A. 721 Olive Street Columbia, SC 29211

Dated at Columbia, South Carolina this 16th day of September, 2005.

Mary Culler